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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
18 - 31 January 1957

The most important Sino-Soviet Bloc activities in underdeveloped countries of the Free World during the period 18 - 31 January 1957 included: (1) the signing of an implementation agreement between Burma and the USSR for the construction of several large building projects, (2) the issuance of a unilateral statement by Burma that trade with Communist China would shortly be on a cash instead of a barter basis, (3) the signing of a coffee-for-machinery trade agreement between Colombia and Czechoslovakia, and (4) the arrival in India of a party of Soviet petroleum specialists.

A regional survey of significant features of the Sino-Soviet Bloc economic drive includes the following:

In the Far East, although Burma is abandoning a barter agreement with Communist China in favor of sales of rice for cash, trade relations between the two countries remain satisfactory and no reduction in trade totals is anticipated. The implementation agreement signed between Burma and the USSR for the construction of a Technological Institute, a hotel, a hospital, and other buildings resulted from Burmese insistence on reimbursing the USSR in full for the projects originally offered as "gifts" by the USSR. The payments by Burma are expected to impose a burden on Burma's financial resources, technical personnel, construction supplies, and labor force. A Soviet trade union delegation has also arrived in Burma to hold discussions with Burmese trade union officials.

In South Asia an advance party of Soviet petroleum specialists arrived in India to assist the Indian government in its program of oil exploration which is expected to involve eventually the use of about 100 Soviet oil experts. In Afghanistan the USSR will begin reconstruction of the Kabul airport in the spring, will construct a 5,000-kilowatt hydroelectric plant, and has signed a contract with the Afghan government for a \$2-million group of industrial installations.

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In the Middle East a cotton-for-industrial-products trade agreement between Egypt and the USSR has been reported unofficially. In other activity in Egypt the USSR has opened an industrial fair in Cairo and has announced that all exhibits at the fair would be presented as a gift to Egypt. Syria announced that Bulgaria had been awarded a \$1-million contract to undertake a geological survey of Syria, and Lebanon signed a 3-year trade agreement with Czechoslovakia. In the same area, Greece and the USSR signed a protocol to an existing trade and payments agreement which contemplates increased trade between the two countries.

In Latin America the semiofficial Colombian Coffee Federation has signed a 1-year trade agreement with a Czechoslovak trading firm involving the exchange of Colombian coffee for Czechoslovak agricultural and industrial machinery. The Uruguayan telephone monopoly has received the lowest bid for the expansion of the telephone system in Montevideo from a Czechoslovak firm, but considerable opposition to acceptance of the bid has been expressed by both telephone company and military officials.

In Europe, Yugoslavia has concluded trade agreements or protocols involving trade relations during 1957 with six members of the Soviet Bloc. The latest agreement was signed with Albania on 12 January. Talks between the USSR and Yugoslavia were scheduled to begin on 12 January, and talks with East German officials were to start toward the end of January.

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